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## FISCAL IMPACT REPORT

SPONSOR McSorley DATE TYPED 2/21/05 HB \_\_\_\_\_  
 SHORT TITLE Restore Title Search Duty of Reasonable Care SB 653  
 ANALYST Rosen

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI		NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SB376 and HB731  
 Conflicts with HB33

### SOURCES OF INFORMATION

Responses Received From  
 Regulation and Licensing Department (RLD)  
 Public Regulation Commission (PRC)

### SUMMARY

#### Synopsis of Bill

Senate Bill 653 makes the title insurer solely liable under the title insurance policy for errors and mistakes made by its agents and its employees in the title search and examination required by 59A-30-11.

### CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

According to PRC, this bill conflicts with HB33, which would have the title insurer and the agent both liable separately for search errors.

PRC notes this bill is similar in purpose to SB376 and HB731.

### WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

RLD indicates title insurers will not be expected to provide the underwriting standards contemplated by the language in the bill and consumers will not be afforded that level of protection.

JR/yr